GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Municipal Administration and Urban Development Department – APTIDCO - Loan for an amount of Rs.1150.00 crores @ 10% interest rate from Power Finance Corporation – Permission Accorded – Orders – Issued.

MUNICIPAL ADMINISTRATION AND URBAN DEVELOPMENT (UBS) DEPARTMENT

G.O.Rt.No.179, Dated:30.03.2020.
Read:

From the Managing Director, APTIDCO, e-file No.APTIDC-ACC0HUB (HUB)/1/2020-MD-APTIDCO (computer No.1132582) dt.30.3.2020.

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O R D E R:

In the reference read above, the Managing Director has informed that the Power Finance Corporation(PFC) vide letter No.3/SR/AP/APTIDCO/88807001/Vol-I/D.No.064997 dt. 23.8.2019 has sanctioned a term loan limit of Rs.1150 crores to APTIDCO @ 10.90% rate of interest and the repayment of installments is to be made from the budgetary allocation. The entire loan is to be guaranteed by the Government and the Guarantee should be in the FRBM limits.

2. The MD, TIDCO has further informed that the sanction letter has been forwarded to Govt. vide their letter No. 47/PFC/APTIDCO/2017-18, Dt. 29.8.2019 for consideration and approval to avail the loan. In this regard, the Government in consultation with the Finance Department observed that the interest rate is on high side and advised to negotiate with the Financial Institutions and Banks for sanction of loans at below 9% rate of interest.

3. Accordingly, the MD, APTIDCO has requested the Power Finance Corporation to reduce the rate of interest duly explaining the modalities of the scheme as it is meant for economically weaker sections.

4. The MD, APTIDCO has informed that the Power Finance Corporation has now sent a letter allowing a discount of 40 basic points in the rate of interest of 10.90% thereby the rate of interest will come down to 10.50% and there is no change of other terms and conditions. The key terms and conditions are the loan should be guaranteed by the Government of Andhra Pradesh and should be with FRBM limits. The repayment should be from the budgetary allocations.

5. In view of the above, the Managing Director, APTIDCO has requested the Government for approval for the following:-

(i) to avail loan Rs. 1050.00 crores at 10.50% rate of interest from Power Finance Corporation;

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(ii) to provide the guarantee of Power Finance Corporation for sanction of the loan within the FRBM limits and

(iii) to issue a letter to Power Finance Corporation that the monthly/quarterly installments will be paid from the budgetary allocations.

6. Government after careful examination of the matter, hereby agreed for availing loan of Rs.1150 Cr PFC with Government Guarantee by APTIDCO at 10% rate of interest from Power Finance Corporation subject to usual terms and conditions of extending Government Guarantee.

7. The Managing Director, Andhra Pradesh Township & Infrastructure Development Corporation Limited (APTIDCO), Vijayawada, shall take further action accordingly

8. This order issues with the concurrence of the Finance Department vide their U.O. Note.No. FIN01-BUGT0DSM/7/2020-CDM, (C.No. 1132628) Dt:30.03.2020.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

J. SYAMALA RAO
SECRETARY TO GOVERNMENT

To
The Managing Director, Andhra Pradesh Township & Infrastructure Development Corporation Limited, Vijayawada.
The Power Finance Corporation, New Delhi.
Copy to:
The PS to Addl. Secretary to Hon'ble C.M
The PS to CS to Government
The OSD to Hon'ble Minister (MA&UD)
The PS to Secretary to Government, MA&UD Department
The Finance (C&DM) Department
Sf/Sc.

//FORWARDED::BY ORDER//

SECTION OFFICER